

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7468**

**BILL NUMBER:** SB 478

**NOTE PREPARED:** Feb 5, 2015

**BILL AMENDED:** Feb 5, 2015

**SUBJECT:** Public Transportation Corporation Funding.

**FIRST AUTHOR:** Sen. Brown L

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) *Public Transportation Corporation:* This bill provides that a redevelopment commission of a municipality may provide revenue to a public transportation corporation (PTC) from property tax proceeds allocated to the redevelopment commission in a tax increment financing (TIF) area. The bill limits the amount of revenue to the amount of property tax revenue received by the municipality's redevelopment commission that is attributable to the PTC's tax rate.

The bill requires a joint public hearing of the municipality's legislative body and the municipality's redevelopment commission and the adoption of substantially similar authorizing resolutions.

*School Transportation Fund:* This bill also provides that a redevelopment commission may provide revenue to a school corporation, for deposit in the school corporation's transportation fund, from property tax proceeds allocated to the redevelopment commission in a TIF allocation area. It specifies that the amount of revenue that may be provided to the school corporation may not exceed the amount of property tax revenue received by the redevelopment commission that is attributable to the school corporation's transportation fund tax rate.

The bill requires approval by the legislative body of the unit that established the redevelopment commission and by the redevelopment commission. It requires a joint public hearing by the unit and the redevelopment commission.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Public Transportation Corporation:* In CY 2014, there were eight PTCs. Seven of the eight will be affected by this bill. Indianapolis Public Transportation is not affected by this bill. If this bill had been effective in 2014, the maximum total revenue that could have been transferred from TIF to the PTCs would have been \$2.1 M. The following table details the potential PTC revenue by corporation.

Maximum Revenue Transferred from TIF (Based on 2014)		
County	Public Transportation Corp	Potential Revenue
Allen	Fort Wayne Public Transportation	\$156,800
Delaware	Muncie Public Transportation	215,000
Lake	Gary Public Transportation	161,100
Marion	Speedway Public Transportation	50,600
Monroe	Bloomington Transportation	136,200
St. Joseph	South Bend Public Transportation	932,000
Tippecanoe	Greater Lafayette Public Transportation	409,300
	<b>Total</b>	<b>\$2,061,000</b>

If the both the municipality's legislative body and the redevelopment commission adopt resolutions authorizing the revenue transfer, the redevelopment commission would lose the amount of revenue gained by the PTC.

(Revised) *School Transportation Fund:* In CY 2014, 201 school corporations could have been affected by this provision. If this bill had been effective in 2014, the maximum total revenue that could have been transferred from TIF to the school transportation funds would have been \$30.4 M.

If the both the school boards and the redevelopment commissions adopt resolutions authorizing the revenue transfer, the redevelopment commissions would lose the amount of revenue gained by the school corporations.

**State Agencies Affected:**

**Local Agencies Affected:** Municipalities with public transportation systems; School Corporations; Redevelopment commissions in those municipalities.

**Information Sources:** Local Government Database, Department of Local Government Finance; County auditor's abstracts.

**Fiscal Analyst:** Bob Sigalow, 317-232-9859